



DEPARTMENT OF INSURANCE
STATE OF ARIZONA
Financial Affairs Division - Compliance Section
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018-7269
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ARIZONA DOMESTIC INSURERS
(NOT APPLICABLE TO LIFE INSURERS)
ACTUARIAL OPINION "FINANCIAL HARDSHIP" EXEMPTION APPLICATION

Applications must be in Affidavit form signed by an executive officer of the company.

The Affidavit form must indicate the basis for the financial hardship, and must include the following information:

- a. Projected reasonable cost of obtaining an actuarial opinion,

Must attach: A written estimate from a qualified actuary in sufficient detail to present the "projected reasonable cost" of the actuary's services.

- b. One percent of capital and surplus as of the company's latest quarterly statement for the calendar year for which the exemption is sought equals \$_____, or

If applicant did not file quarterly financial statements during the subject calendar year, one percent of capital and surplus as of December 31 of the calendar year prior to the year for which the actuarial opinion exemption is being requested equals \$_____.

- c. Three percent of the insurer's net direct plus assumed premiums written during the calendar year for which the exemption is sought as projected from the insurer's latest quarterly statement filed with the Arizona Department of Insurance equals \$_____, or

If applicant did not file quarterly financial statements during the subject calendar year, three percent of the insurer's net direct plus assumed premiums written during the calendar year for which the actuarial opinion exemption is being requested is estimated to be \$_____.

Any additional information that is directly relevant to the application may be provided in sufficient detail to permit the Department to make an informed decision with respect to the requested exemption. If the Company assumes business only, explain why an Actuarial Opinion is not available from its ceding insurer(s).

The application (affidavit and attachment) must be accompanied by a letter of intent and must be filed no later than December 1 of the calendar year for which the exemption is to be claimed.

The Department may deny the exemption prior to December 31 of the same year if it deems the exemption inappropriate.

A certified (by the Insurance Department) copy of the approved exemption must be filed with the annual statement in all jurisdictions in which the company is authorized.